

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF LOUISVILLE GAS)	CASE NO. 8284-G
AND ELECTRIC COMPANY)	

O R D E R

On January 4, 1982, the Commission issued its Order in Case No. 8284, approving certain adjustments in the rates of Louisville Gas and Electric Company ("LG&E") and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased.

On January 10, 1983, LG&E filed its notice with the Commission stating that it had received a refund and a decrease in the wholesale cost of gas purchased from its supplier, Texas Gas Transmission Corporation ("Texas Gas").

After reviewing the notice filed in this case and being advised, the Commission is of the opinion and finds that:

(1) On December 28, 1982, Texas Gas filed with the Federal Energy Regulatory Commission ("FERC") decreased rates to become effective February 1, 1983, pursuant to Texas Gas' purchased gas clause and other FERC-approved cost tracking procedures.

(2) The annual amount of this decrease is \$1,007,999 of which \$26,773 is applicable to gas used for the Electric

Department fuel and \$981,226 is applicable to LG&E's gas customers. The result is a downward adjustment in the purchased gas adjustment of 1.82 cents per Mcf, or .182 cents per 100 cubic feet, and is proper to give effect to the Texas Gas decrease.

(3) LG&E has been notified by Texas Gas that it will be receiving a refund as a result of a December 17, 1982, filing by Texas Gas with FERC to reflect a downward modification in the rates of one of Texas Gas' pipeline suppliers, United Gas Pipeline Company, effective August 1, 1982. Since the reduced rate was incorporated into the Texas Gas rate revision effective November 1, 1982, the downward modification of rates applies only to gas purchased by LG&E during the months of August, September and October 1982.

(4) The effect of the Texas Gas filing, as applied to LG&E's purchases for August, September and October 1982, results in an estimated refund of \$76,545, as measured against actual billings. Of that estimated refund, \$2,001 is applicable to gas used as Electric Department fuel, leaving \$74,543 applicable to LG&E's gas customers. LG&E proposes to increase by such amount the refundable balance from Case No. 7799-D, thereby extending that refund factor further into the winter season when customers are receiving their largest bills. LG&E also proposes to adjust the refundable amount of \$74,543 upward or downward, as the case may be, when such refund is actually received.

(5) The purchased gas adjustment of LG&E should be adjusted to the following, effective February 1, 1983:

PGA corresponding to Base Supplier Rate	11.432¢
Refund Factor effective September 1, 1981, and continuing for 12 months or until company has discharged its refund obligation from Case No. 7799-D	(.670)
Refund Factor effective December 1, 1981, and continuing for 12 months or until company has discharged its refund obligation from Case No. 7799-E	<u>(.074)</u>
Total Adjustment Per 100 Cubic Feet	10.688¢

IT IS THEREFORE ORDERED that the purchased gas adjustment sought by LG&E as set out in Finding (5) above be and it hereby is approved effective with gas supplied on and after February 1, 1983.

IT IS FURTHER ORDERED that LG&E shall increase the refundable amount allowed in Case No. 7799-D to reflect a refund to be received from Texas Gas in the amount of \$74,543. LG&E shall adjust the refundable amount upward or downward, as the case may be, when such refund is actually received.

IT IS FURTHER ORDERED that, within 30 days after the date of this Order, LG&E shall file with this Commission its revised tariff sheets setting out the rates approved herein.


IT IS FURTHER ORDERED that for the purpose of the future application of the purchased gas adjustment clause of LG&E the base rate for purchased gas shall be:

	<u>Monthly Demand Charge</u>	<u>Commodity Charge</u>
Texas Gas Transmission Corp. Rate G-4	\$6.90	364.62¢

Done at Frankfort, Kentucky, this 26th day of January,
1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary